COMMANDERS DIGEST

AAFES Total Service to All Military Members

VOL. 16, NO. 25/DECEMBER 19, 1974

Modern merchandising methods combined with military logistics and imagination result in attractive and practical retail operations like this exchange at George Air Force Base, California.

THE MISSION:

LOGISTICS MERCHANDISING & BOLD INNOVATION

By
MG. C. W. HOSPELHORN, USA
Commander, AAFES

Merchandising morale is the business of the Army and Air Force Exchange Service (AAFES), which today strives to provide total service to the soldier and airman and their families.

AAFES today operates under the same basic charter under which post exchanges were established nearly 80 years ago: to provide merchandise and services and generate earnings for welfare and recreational programs.

The modern exchange system of today runs on a global basis reaching into 29 different locations on the world map. Its size and scope are directly related to the total military personnel strength of the Army and the Air Force where that strength is deployed.

AAFES is an element of the military and is a government instrumentality. The uniqueness of AAFES lies in its ability to be oriented in the military sense and function as a retailing organization.

As commander, AAFES, I direct operations of all exchange activities worldwide from the Dallas, Texas, headquarters. Since AAFES is a joint Army and Air Force operation, I report to a 12-man board of directors composed of equal representation from both Services.

To bring the goods and services to AAFES customers, we currently operate some 14,000 facilities. Of these, more than 3,000 are retail outlets which range from modern shopping center complexes to remote sites atop mountains. Performing the exchange mission involves the combining of a mixture of the military logistical art, commercial merchandising concepts and bold innovation. It requires doing business in every conceivable market with some buying done as much as 10 months to a year in advance. It means business dealings with more than 30,000 U.S. and foreign firms, from corporate giants to small businesses.

This is the first of a two-part series on the Armed Forces' exchange services. A forthcoming issue of Commanders Digest will spotlight the Navy and Marine exchange services.

To put the diversity and total extent of AAFES operations into proper perspective, consider the following:

- Throughout Europe, all ice cream products for resale in exchange activities and in commissaries, as well as for troop issue, are manufactured at an AAFES plant in Gruenstadt, Germany. Last year, this plant produced more than 52 million bulk and novelty items.
- In the Pacific an AAFES dairy plant at Clark Air Force Base, Republic of the Philippines, produces ice cream, filled milk, cottage cheese, sour cream and yogurt for Air Force, Army and Naval units in the Philippines.
- Ten million pounds of beef, pork and other meat products are processed annually by an AAFES meat plant, also located in Gruenstadt.
- Worldwide, AAFES has 18 bakeries in operation, providing bread, cakes and a variety of baked products, not only for sale in AAFES facilities, but also for commissary and troop issue.
- AAFES operates 291 service stations, 130 filling stations, 124 garages and 427 auto parts stores around the world. When we can get it, AAFES pumps 500 million gallons of gasoline a year.
- Through concessionaires, and in some cases as a direct operation, personal services for authorized customers are provided, such as barber shops, beauty shops, laundry/dry cleaning, shoe repair, watch repair, optical shops, radio/TV repair, and flower shops. In addition, 1,674 vending activities, with some 70,250 vending machines, dispense literally everything from soup to nuts.
- There are also the exchange cafeterias, snack bars, drive-ins

The Running Chef, a mobile food truck, operates at many installations and is available to bring exchange menu items to Service members in the field.

and mobile food units, and at oversea locations AAFES operates school lunch programs on a break-even basis.

As would be expected, to operate such diverse and widespread activities, AAFES requires the skills and talents of many people. Currently a work force of 65,000 is employed. Within the total are approximately 19,000 employees to whom English is an alien tongue.

Great reliance is placed on military dependents, in that approximately 18,000 are employed worldwide. There are over 3,000 active duty military personnel working for AAFES during their off-duty hours.

The total military strength of AAFES is 139 military personnel assigned (77 Air Force and 62 Army). They fill key executive and command positions.

Unique among Government agencies is the AAFES executive management program (EMP). Since 1958 this has provided AAFES with a dedicated corps of civilian executives who manage exchanges worldwide—some 1,300 men and women. To enter this program—which is much like the military officer corps—the AAFES executive must agree to accept any assignment with the exchange anywhere in the world. EMP assignments and career development are centrally controlled by AAFES headquarters. These executives compete for promotion by a central promotion board, again set up and administered much like the military system. Finally, unlike civil service, these employees are granted personal grades and enjoy retention privileges.

But what of the reason for exchanges—the authorized customer? Does AAFES have a handle on who he is, what his wants and likes are? Is the exchange customer really any different from his civilian counterpart?

The AAFES potential customer-strength approximates 6½ million people—active duty military, retired military, dependents of both groups, members of the Reserve Forces. There are also certain smaller groups of authorized customers, such as U.S. dependent school teachers employed by the American military overseas. They do not have exchange privileges in Continental United States (CONUS).

Of the total customer base, dependents are by far the largest group—comprising two-thirds. The number of retired personnel, which has grown steadily since the mid-60s, makes up another significant segment. But basically, today's AAFES customers are young—their median age is 23.9 years. Fifty-seven percent are married and just starting a family. Exchange customers have every need, especially for household goods, recreational items, infants' and children's clothing. So AAFES merchandise must have appeal to the younger and lower-paid personnel as well as to the six percent of military with higher grades and upper middle incomes.

THE ARMY AND AIR FORCE EXCHANGE SERVICE POLICY

ARMY & AIR FORCE
EXCHANGE SERVICE

Sooner or later every customer has to notice the policy sign displayed at outlets of the Army and Air Force Exchange Service (AAFES).

It's not a large sign, just the AAFES shield and a statement which sums up the Exchange Service's way of doing business and a signature.

The AAFES shield speaks for itself. So does the statement:

- To provide service, quality merchandise and value.
- Satisfaction guaranteed or your money cheerfully refunded.

The signature beneath the policy statement belongs to Maj. Gen. C. W. Hospelhorn, AAFES commander, and means that AAFES stands behind every item sold in the exchange; every act of service to soldiers, airmen and their families stationed wherever duty calls.

The exchange customer is by no means captive. AAFES knows he or she is as sophisticated and well-informed as the most demanding American consumer. And with all of the same vagaries.

Earlier this year the Congress approved more liberalized exchange privileges for Reservists and Guardsmen. While Reserve component personnel are not daily customers, they are still part of the total military force so AAFES has been placing considerable emphasis to assure that they receive the same courteous service given all our customers.

Despite a seven per cent decline in average military strength, AAFES worldwide sales in Fiscal Year 1974 reached $2.3 billion, the same level attained in the preceding year. Nearly 60 per cent of total sales were generated by CONUS exchange activities.

AAFES earnings in Fiscal Year 1974 amounted to $67 million. Of this, $50 million in dividends were declared in support of the Army and the Air Force morale, welfare and recreation programs. The remainder is used to generate working capital for inventory expansion, capital expenditures and new customer services.

Most military personnel are well aware that AAFES earnings provide the bulk of monies to support the aforementioned welfare funds. As a matter of interest, dividends payments by AAFES since 1967 have totaled $567.2 million. Of particular interest is the other important area to which earnings are applied—construction of new exchanges and renovation of existing facilities under the AAFES capital expenditure program.

Prior to 1964, the two Military Departments were solely responsible for new construction of exchanges. Over the years, as appropriated fund support became less available, AAFES found itself with many obsolete facilities—many built during World War II.

The first expenditure of AAFES money for new construction (Fort Gordon, Georgia) was approved by the board of directors in 1964 as a pilot program. Since then, AAFES has completed 147 new exchange construction projects. Seventy-seven more are under design, solicitation or in actual construction. In the last five years, AAFES funds allocated for this purpose have amounted to $145 million. An additional $122 million were allocated to renovate existing facilities.

Over the next five years AAFES has programmed $20 million a year for new construction or a total of $100 million.

AAFES experience in new construction has shown a greater return in sales when you give the customer a modern, well-stocked facility. AAFES new stores approximate in design the same type of activities built by two of the world's most successful retailers—Sears and Penney's.

Basic to AAFES operation is the premise that the customer should enjoy favorable pricing in the exchange. Accordingly, the markup of exchange goods in CONUS averaged 20.90 per cent in FY 74. For comparison, the average discount chain has a markup of 36 per cent; department stores, 44 per cent; and specialty shops 47 per cent.

AAFES is very conscious of the impact of inflation on its customers and has vigorous programs underway

Board of Directors

Just what is the relationship of AAFES to the Military Departments?

The Army and Air Force Exchange Service was established as a joint venture of the two Military Services on July 26, 1948. Reporting to the respective chiefs of staff is a board of directors composed of senior military officers including the Sergeant Major of the Army and Chief Master Sergeant of the Air Force. Chairmanship of the board alternates between the comptrollers of the Army and the Air Force. (Present chairman is Lt. Gen. John Kjellstrom, Army comptroller.) The board also has a four-man advisory committee of top executives from the civilian business world who serve without pay. They advise and make recommendations concerning financial, food management, merchandising and distribution matters.

Specific functions of the 12-man board are to:

- Direct the Exchange Service.
- Select the commander, deputy commander and commanders of the European and Pacific Exchange Systems.
- Approve basic policies, plans and programs of AAFES and review and approve annual financial plans and goals governing worldwide operations including periodic review of operating results.

Responsibility for administering and operating AAFES worldwide is delegated to the commander, AAFES. Since January 1972, all exchange activities have been under direct control of AAFES.

to help stretch the customer's dollar. (See Money Savers; page 8.) Costs of doing business and expenses are being trimmed wherever possible without sacrificing service to the customer.

In the past year, and continuing, AAFES has embarked on a series of carefully executed cost-cutting measures. These have included an orderly curtailment of the exchange workforce through early retirements and an extensive realignment of our support functions both in CONUS and overseas.

In 1973, these actions reduced AAFES operating expenses by $6.8 million. This effort plus other actions taken during 1974 will reduce operating expenses approximately $41.5 million annually.

Illustrative of this effort are the AAFES conservation program and the steps being taken to streamline computer operation.

AAFES now has some 79 wastepaper baling machine at CONUS retail stores and regional warehouses. They bale an average of 711 tons of paper per month, saving pickup and salvage costs of some $360,000. At the same time, the income to AAFES averages $39 per ton or $27,000 each month. Thirty additional balers are planned for installation.

AAFES links to its overseas components in Europe and the Pacific and all CONUS exchange regions have been established through telecommunication. Computers worldwide are down to five and a worldwide data bank is now in full operation. Three years ago, AAFES had 31 computers worldwide. It is planned that by next year, the total program will be consolidated in one center in Dallas.

Where once all exchanges were separate entities, today's organization is a modern, thriving, and unified command. AAFES has a proven track record of responsiveness to the military customer and has proudly served with him in combat environments.

AAFES has enjoyed a dynamic past and is proud of its present abilities to serve in the best way possible—the total military force. Looking to the future, there is every reason to believe that it will continue to play a vital role in support of military personnel in any part of the world.

Commander of the Army and Air Force Exchange Service is Maj. Gen. C.W. Hospelhorn, U.S. Army.

Before the establishment of the post exchange, soldiers visited the post trader (above) to buy their needs. By World War I the Doughboy could buy from a canteen (right) which was also mobilized and sent to the field. The exchange went to the front again in WWII and in Korea (below, left) carrying the wares in a cardboard box. A chopper dropped in with exchange merchandise at remote outposts in Vietnam (below right).

BACK in the GOOD OL' DAYS...

On July 25, 1895, the New York Times was running a front page story of Indian uprisings near Pocatello, Idaho. A roving band of Bannocks had attacked and killed a group of settlers near Jackson's Hole, Wyoming. Troops from Fort Robinson, Nebraska, and Fort Russell and Camp Carlin, Idaho, were moving to the area to protect the frontiersmen.

The life of the soldier in 1895 was a hard one. The squelching of Indian uprisings was hazardous but normal duty. A campfire on the prairie, with the strains of a harmonica in the air, provided an evening's entertainment. Town was a week's ride away. Suffice to say, no one went into town for a weekend.

For their supplies, the men had a kind of cooperative, which they called a canteen. Each member of the troop put a dollar or two into the kitty and one man was detailed to ride to town, buy what was needed, and then sell it back to the men at a profit. Any profit went into a general recreation fund, presumably to buy a new harmonica when the old one wore out.

These canteens were the forerunners of today's post and base exchanges. In those early days, good service meant fresh stocks of snuff. Horse blankets, Bowie knives and corn whiskey were the big sellers.

On July 25, 1895, General Order Number 46 was signed by Secretary of War Daniel L. Lamont, and exchanges became a part of the U.S. Army. Since that date, and for 79 continuous years, exchanges have been serving the men and women in uniform. The mission remains essentially the same—to provide the Service members what they want, where they want it, and at prices they can afford to pay. Earnings still go into a general recreation fund and, today, help pay for hobby shops, libraries, day rooms, and other welfare activities.

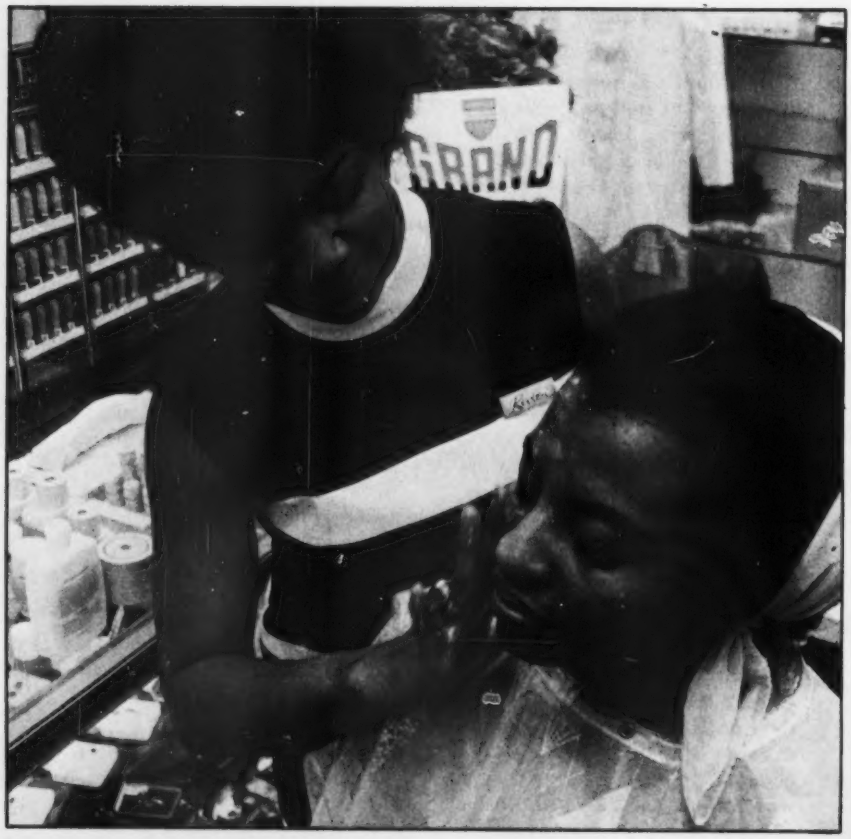
The manner of operating exchanges has naturally undergone many changes. Today, prices are stabilized, dividends equalized, and general efficiency increased. Modern shopping centers have replaced the covered wagon stores. Snuff is still on the authorized list of items stocked along with a variety of name brand merchandise undreamed of in 1895. The Army of yesteryear was ever alert along the American frontier. Today, that frontier extends across the globe and the troops are accompanied by exchanges ever ready to provide "total service to the total force."

'MONEY SAVER' & 'EXTRA DIVIDEND' Aid Buyers

Since service is part of its name and its prime objective, the Army and Air force Exchange Service is continually seeking ways to improve.

In recent months, the AAFES drive to provide a total service has resulted in a series of notable achievements.

A prime effort has been made to help

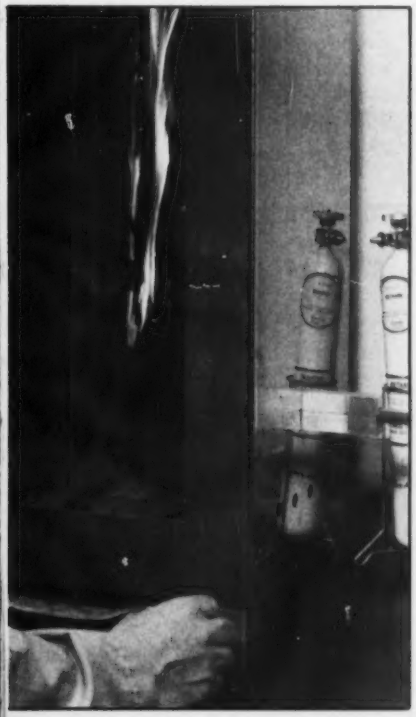


Additional savings are offered the customers through sales on items like food and cosmetics, and a new centralized distribution method rushes new fashions (left) into the stores while the style is still in vogue. Quality is also a major concern. An exchange laboratory worker (right) tests children's sleepware.

combat inflation for the customer by introducing new programs which offer extra savings over and above those customarily found in the exchange. Foremost among these are Money Savers, whose distinctive yellow piggy bank signs and tags identify a variety of quality lower priced merchandise and services. Family clothing, appliances, dinnerware, sewing machines, even weekly food specials bear the Money Saver logo. AAFES reports customer response has been phenomenal, supported by $20 million in sales since the summer of 1973 when the program was kicked off.

A companion effort is the Extra Dividend program. This offers savings on items on special sale for a limited time as a result of short-term discounts received from manufacturers. At least 20 Extra Dividend items must be available at all times in all AAFES stores. Savings can be as much as 20 per cent below the regular exchange selling price.

The third big gun in the AAFES inflation-fighting arsenal and a particular boon to the family customers are the exchange sewing centers. As costs of ready-to-wear clothing mount, so too has interest in home sewing.



AAFES Sewing Centers worldwide provide the full range of all sewing needs from needles and thread on up. The Congressional approval last year to permit exchange sale of sewing machines was all the impetus AAFES needed to get the program off the ground and meet a vital need of customers.

The Exchange Service has also added several other programs to speed and improve responsiveness. Concerned about the timely delivery of women's fashion merchandise, AAFES has activated its own centralized distribution method so successful in commercial retailing. Located at Arlington, Texas, is the AAFES Distribution Center which daily receives and dispatches assortments of new fashion items to exchange outlets around the world. By the end of this year, fashion items for children and men will be added to the program.

By now going to prime sources for records and tapes instead of rack jobbers, AAFES has significantly improved its stock of recorded music more in tune with customer demand.

AAFES catalog sales now include a handsome 1,200-item American Showcase of U.S. made gift merchandise. The catalogs are available at AAFES special order desks throughout the Continental United States (CONUS) in addition to overseas locations.

Still another program enlists the aid of customers themselves to help improve service. Selected military personnel and dependents are invited to sit in on AAFES merchandise selection clinics to aid buyers in choosing items with customer appeal.

From helping to save them more money, speeding up delivery of items and giving them a voice in merchandise selection, AAFES is actively and aggressively improving its service to the total force.

THROUGH THE EYES of the CUSTOMERS

The Army and Air Force Exchange Service (AAFES) efforts to provide responsive, courteous service is measured by a unique program of no-notice evaluation.

Each week, AAFES dispatches teams into the field unannounced and unidentified. Their mission: evaluate operating activities from the customers' point of view.

Team members drawn from AAFES' small military staff in the Dallas, Texas, headquarters, travel in civilian clothing. Once on an installation, they fan out and sample the kind of service being provided by the exchange. Retail store branches, service outlets, cafeterias, service stations, vending—every aspect of a particular exchange gets the complete check.

Perhaps most noteworthy of the whirlwind visits is that the local exchange management is never aware of the check until after the team has returned to AAFES headquarters and submitted its report to the commander, Maj. Gen. C. W. Hospelhorn, who demands immediate action and recognizable improvement in each area found deficient by his no-notice evaluators.

Problems cannot be explained away or debated because the report covers most eventualities. Exchanges are rated by evaluators much like a customer might do it: **Excellent, Very Satisfactory, Satisfactory, Marginal** or **Unsatisfactory.** Because every point from employee courtesy and knowledgeability through the quality of personal services has been logged on a checklist, the grading really isn't arbitrary. Only improvement can result.

Identical programs are conducted by AAFES exchange systems in Europe and the Pacific.

WHERE IN THE WORLD...?

No matter where his or her duty assignment, today's soldier or airman can depend on the merchandise and services available at the post exchange or base exchange (PX/BX).

All post and base exchanges around the world are identified by the golden shield of the Army and Air Force Exchange Service (AAFES), a joint command with headquarters in Dallas, Texas.

When viewed in global perspective, AAFES provides its range of services for a military community made up of some 6.5 million customers—a clientele roughly three times the population of Houston, Texas.

COMMANDERS DIGEST

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Because the Exchange Service, like the military it serves, is so far-flung and must cater to so many varied needs, it identifies with each community and takes on some of the familiar local flavor without departing from central AAFES control.

On the European continent, AAFES is known as AAFES, Europe. Throughout the Pacific and Orient, it is AAFES, Pacific. And in the uppermost reaches of North America, the exchange service is provided by AAFES, Alaska.

Reporting direct to Maj. Gen. C. W. Hospelhorn at AAFES command headquarters, the overseas commanders are charged with meeting customer requirements in their particular area.

Commanding AAFES, Europe, is Army Brig. Gen. Arthur J. Gregg, headquartered in Munich, Germany. Air Force Brig. Gen. Donald A. Gaylord, commands AAFES, Pacific, from the headquarters in Honolulu. Commander of AAFES, Alaska, is Air Force Col. Leland Maines, Jr., in Anchorage, Alaska.

In the Continental United States (CONUS), operations are managed through five exchange regions, each headed by a senior civilian executive. Within a region, individual exchanges are grouped into area exchanges for management purposes with a full staff of retail, food, vending and services personnel.

Coordination within the worldwide system is achieved through a direct telecommunications network linking Europe and the Pacific with the Dallas headquarters. That network allows the overseas components to transmit and receive vital data for up-to-the-minute reports in every phase of exchange operations.

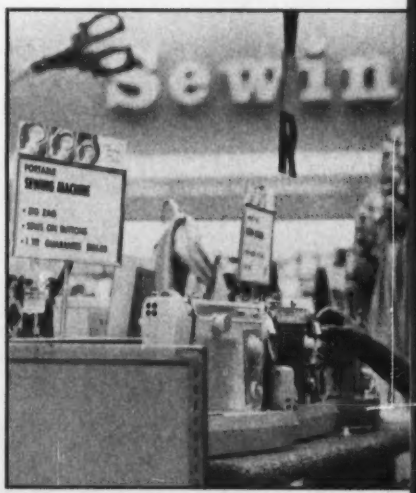
Thus, the exchange patron in Thailand, Germany, the Arctic Circle, or anywhere in CONUS receives the benefit of a tightly coordinated chain of command. This military command structure assures uniformity of service and quality of merchandise and facilitates direct and speedy response to patrons stationed the world over.

CONGRESS and the

Military exchanges, probably more than any other nonappropriated fund activity, are subject to the influence and restraints set by the Congress.

Over the past two decades, the House Armed Services Committee (HASC) has conducted hearings on exchange operations six times. The initial hearings in 1949 resulted in restrictions placed on Continental United States (CONUS) exchange operations that control the range of merchandise and set cost price limits on items that can be stocked. (No such restrictions are placed on overseas exchanges.) The list of authorized items and their cost prices is published in DOD Directive 1330.9 also known as "the Armed Services Exchange Regulations" (ASER). All military exchanges—Army and Air Force, Navy and Marine Corps—must abide by the ASER which also spell out the extent of exchange privileges for each different category of authorized patron.

The authorized list of CONUS



AAFES REGULATIONS

stocked items is by no means inflexible since provisions allow for higher cost prices due to inflation. Whenever a 5 per cent change in the Department of Labor Wholesale Price Index for Industrial Commodities has been existent for six months, the Office of the Assistant Secretary of Defense (Manpower and Reserve Affairs) issues a price change to the ASER.

Requests for additional items to be stocked are submitted from time to time to the HASC and are considered on their merit. A recent example was the authorization to stock sewing machines. In the patronage area, the HASC earlier this year approved expanded exchange privileges for members of the Reserve Forces.

Another recent significant HASC action was its direction to Army and Air Force Exchange Service to take over control of military bookstores. With the exception of the two service academies, AAFES is now in the process of absorbing all bookstore operations.

Exchanges have recently been authorized to stock sewing machines within the Continental United States.

COMBATING BAD CHECKS

Anyone who has cashed a check in an exchange activity recently is aware that the Army and Air Force Exchange Service means business in its drive to combat the drain from dishonored checks.

Statistics tell the story: since 1968, check cashing in exchanges has grown from 26.5 million checks to 33.8 million last year. In terms of dollars, the volume of checks cashed last year amounted to $1.3 billion.

In 1973, AAFES had 216,826 dishonored checks returned from banks, amounting to $7.1 million. After all collection procedures were exhausted, AAFES wound up with a losss of $591,038. AAFES reports that its administrative expense connected with collection of dishonored checks has risen to $5 per check.

These losses are costing the customer money through higher prices and less money in earnings for the welfare and recreation funds.

To combat abuse of the check cashing privileges, AAFES has taken the following steps:

- Instituted a single worldwide check cashing policy providing one set of rules and limitations.
- Prescribed a common check cashing stamp to be used throughout AAFES regarding the minimum information necessary to locate someone if the check bounces.
- Installed, at selected locations, an on-line computerized check verification system. This is being expanded throughout the Continental United States.
- Introduced, at selected exchanges, a fraud prevention system requiring customer finger imprints on all checks.
- Raised the returned check fee charged customers to $5 per check.
- Publicized check cashing problems so that employees and customers are well aware of the magnitude of the problem and are assisting in solving it.

QUALITY ASSURANCE

Army and Air Force Exchange Service store personnel inspect an estimated 183,000 garments each week prior to hanging them on exchange racks. Of these, about 3,200 items are found to be defective. The store inspections are in addition to sample inspections performed by AAFES Quality Assurance (QA) personnel at contractor plants and receiving warehouses.

Aim of the QA program is to insure items sold are "fit for use." No seconds, irregulars or defectives are intentionally purchased by AAFES, none are wanted on its shelves. AAFES keeps a computer file on all vendors with whom it does business. The file contains complete history of a vendor's performance and quality reliability. Close cooperation is maintained with government agencies such as the Consumer Product Safety Commission (CPSC) and immediate steps are taken to remove from sale any item found hazardous to the customer.

The AAFES policy of guaranteed customer satisfaction also means the exchange will never settle for inferior quality in its merchandise.

Army and Air Force Exchange Service has obligated $100 million during the next five years for new shopping facilities.

PLAIN TALK from AAFES

Straight answers to simple questions well may be the commodity in greatest demand today.

Even at the local Army and Air and Air Force Exchange Service (AAFES) activity. Because patrons with a question about AAFES just may be getting answers even before the question is asked. Now available at customer service areas in most exchanges is a series of brochures and flyers called *Plain Talk*.

Plain Talks that cover standard topics such as patronage controls, quality of merchandise or redemption of merchandise coupons are in brochure form and appear in snappy, eye-catching displays in retail outlets.

Others appear as flyers and are issued to provide quick answers to a suddenly developing situation or problem area. For example, when Reservists were granted expanded exchange privileges recently, a *Plain Talk* flyer was quickly prepared and given wide distribution.

Plain Talk ideas also come from customers and employee suggestions. A recent flyer entitled 'Sales Slips' was the result of an employee suggestion from the field. Obviously, employees have had to repeat the explanation as to why patrons are required to fill out a sales slip when buying an item for over $25, the flyer explains the whys and wherefores. Many patrons did not know that the sale of more expensive merchandise must be recorded on a sales slip to protect the exchange privileges.

COMMAND, CUSTOMERS & COMMUNICATIONS

Commanders and customers are the two groups that the Army and Air Force Exchange Service aims to please. Operating thousands of exchange activities is just one facet of the job.

Since 1972, when AAFES assumed direct control of all exchanges worldwide, the Dallas headquarters has kept in close and continuous contact with Army and Air Force commands. The objective: build and maintain a mutual understanding of each other's programs, objectives and requirements.

Channels of communication are kept open through regular visits by AAFES command liaison personnel who represent Maj. Gen. C.W. Hospelhorn, AAFES commander, at quarterly command exchange council meetings and at a host of other conferences. In addition, AAFES publishes a newsletter for commanders to keep them up-to-date on new programs, policies and problems.

Communication with its customers is another area where AAFES never rests. Regular channels such as the customer comment and direct line programs give the customer a voice which is listened to by top exchange management. AAFES guarantees a reply to customer comments received at local level within seven working days.

The direct line program encourages patrons to write their comments, compliments, complaints and ideas directly to the top man—General Hospelhorn—who insures that action is taken. At AAFES headquarters, the Customer Relations Branch keeps in telephonic contact with local exchanges to make sure they solve problems for the customers.

The philosophy behind such effort is simple. As General Hospelhorn says: "AAFES wants to serve the customer and to hear from him loud and clear because we believe in our policy of satisfaction-guaranteed. It's important that each and every customer believes it as well."

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